

Message Text

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ORIGIN ARA-10

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P 231812Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO PRIORITY

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E.O. 11652:N/A

TAGS: MASS, CI, US

SUBJECT: CONGRESSIONAL LETTER ON MILITARY ARMS SALES TO
CHILE

REF: SANTIAGO 3449

1. FOLLOWING IS TEXT MAY 15 LETTER TO SECRETARY URGING
CONTINUANCE OF FMS CASH SALES TO CHILE. LETTER WAS CIRCULATED BY CONGRESSMAN LARRY REPEAT LARRY MCDONALD (D-GA).
100 CO-SIGNERS ARE PRIMARILY MEMBERS OF HR'S "CONSERVATIVE BLOC." WE UNDERSTAND THAT SENATORS THURMOND AND HELMS ARE
PREPARING SIMILAR LETTER FROM SENATE SIDE. DEPARTMENT HAS
PREPARED NON-SUBSTANTIVE INTERIM REPLY PENDING FURTHER
CONSIDERATION.

2. BEGIN TEXT: QUOTE: DEAR MR. KISSINGER: WE, THE
UNDERSIGNED, HAD UNDERSTOOD THAT IN THE FOREIGN ASSISTANCE
LEGISLATION FOR FISCAL 1975 THE RESTRICTIONS ON THE USE OF
ANY FUNDS FOR MILITARY GRANT AID OR CREDIT SALES TO THE
REPUBLIC OF CHILE WOULD APPLY ONLY TO FUNDS AUTHORIZED IN
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THE BILL. INDEED, BROADER RESTRICTIVE LANGUAGE WAS SPECIF-

ICALLY REMOVED FROM THE HOUSE VERSION OF THE LEGISLATION IN CONFERENCE TO MAKE SURE THAT CASH SALES IN THE PRIVATE SECTOR AND WITH RESPECT TO UNRESTRICTED MILITARY ITEMS SUCH AS SPARE PARTS, SUPPLEMENTAL EQUIPMENT, ETC., WOULD NOT BE AFFECTED.

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QUOTE: PAGE 41 OF THE CONFERENCE REPORT ON THE FOREIGN ASSISTANCE ACT OF 1974 STATES AS FOLLOWS:

'THE SENATE BILL CONTAINED A PROVISION WHICH LIMITED ASSISTANCE TO CHILE TO DOLS 55 MILLION IN FISCAL YEAR 1975, NONE OF WHICH COULD BE USED FOR MILITARY ASSISTANCE, CREDITS OR GUARANTEES.

'THE HOUSE AMENDMENT ADDED A NEW SUBSECTION 620(Y) SUSPENDING MILITARY ASSISTANCE (EXCEPT DOLS 800,000 IN MILITARY TRAINING), CREDIT SALES AND CASH SALES TO CHILE THROUGH FISCAL YEAR 1975, AND ALSO PROHIBITING THE ISSUANCE OF EXPORT LICENSES FOR CHILEAN ARMS PURCHASES FROM U.S. MANUFACTURERS UNLESS THE PRESIDENT REPORTS TO THE CONGRESS THAT CHILE IS MAKING FUNDAMENTAL IMPROVEMENTS IN THE OBSERVANCE OF HUMAN RIGHTS. IF SUCH A REPORT IS MADE, FOREIGN MILITARY CASH SALES AND COMMERCIAL SALES MAY BE MADE AND UP TO DOLS 10 MILLION IN CREDIT MAY BE EXTENDED TO CHILE.

'THE HOUSE RECEDED WITH AN AMENDMENT TO LIMIT THE FUNDS THAT COULD BE USED FOR ASSISTANCE TO CHILE TO DOLS 25 MILLION IN FISCAL YEAR 1975, NONE OF WHICH FUNDS MAY BE USED TO FINANCE MILITARY ASSISTANCE, CREDITS, OR GUARANTEES. THE AMENDMENT ALSO DELETED THE REFERENCE TO "ANY OTHER LAW".'

QUOTE: WE ARE FURTHER INFORMED THAT A UNILATERAL INTERPRETATION BY THE DEPARTMENT OF STATE HOLDS THAT WHILE CHILE MAY PURCHASE PLANES, FOR EXAMPLE, IN THE PRIVATE SECTOR FOR CASH, IT CANNOT PURCHASE FOR CASH THE ABSOLUTELY ESSENTIAL SPARE PARTS, ARMAMENT, AND SIMILAR MILITARY

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MATERIAL HERETOFORE AVAILABLE AND NECESSARY TO MAKE THE MILITARY EQUIPMENT USEABLE.

QUOTE: THIS IS A PROBLEM WHICH AFFECTS THE NATIONAL SECURITY OF THE UNITED STATES AND THE SECURITY OF THE HEMISPHERE. NOT ONLY DO WE WANT TO MAINTAIN OUR BUSINESS RELATIONS WITH OUR FRIENDS IN LATIN AMERICA, BUT WE WANT TO MAINTAIN OUR MILITARY RELATIONS. IF THESE MATERIALS ARE NOT AVAILABLE FROM THE UNITED STATES FOR CASH, THEY

WILL CERTAINLY BE ACQUIRED BY THE GOVERNMENT OF CHILE FROM OTHER COUNTRIES OF THE WORLD, TO OUR GREAT LOSS NOW AND IN THE FUTURE. ALL TOO OFTEN WE HHAVE SEEN FOREIGN INTERESTS MOVE INTO THE VACUUM LEFT WHEN WE GET BUREAU-CRATIC DECISIONS TO CUT OFF MILITARY SUPPLIES TO COUNTRIES WHO HAVE BEEN FRIENDLY. THEY SIMPLY PURCHASE THEIR NEEDS FROM SOME OTHER COUNTRY, AND MORE OFTEN THAN NOT SUCH PURCHASES HAVE CARRIED WITH THEM MILITARY ADVISERS AND

INFLUENCE FROM COUNTRIES HOSTILE TO THE WESTERN HEMISPHERE AND TO THE UNITED STATES. WE NEED ONLY TO LOOK TO THE SITUATION IN PERU IN THAT REGARD.

QUOTE: WE URGE YOU TO REVIEW THIS SITUATION, AND IF OUR UNDERSTANDING IS CORRECT, TO TAKE IMMEDIATE MEASURES TO CARRY OUT THE SPIRIT OF THE STATUTE -- I.E., THAT CASH MILITARY SALES TO THE REPUBLIC OF CHILE REMAIN UNAFFECTED BY THE FOREIGN AID BILL FOR FISCAL 1975.

QUOTE: YOUR COOPERATION IN THIS MATTER WILL BE VERY MUCH APPRECIATED. (SIGNED) LARRY MCDONALD (ET AL) END TEXT.
UNQUOTE. INGERSOLL

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